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The evolution of financial models in the community

The distribution and redistribution of gross domestic product (GDP) can be performed by various schemes under which financial models are built relationships in the community. The sequence distribution of GDP divided into administrative model and market.

The essence of the administrative model of financial relations is that the bulk of GDP centrally concentrated in the budget of the state and excluded from the distribution relations [1]. This model is characterized by the former Soviet Union and other socialist countries such as the People's Republic of China and Cuba.

The financial model of the market economy means that the value of realized GDP divided between those who are engaged in its creation. This is especially the owners of production that profit and the workers and employees who are paid wages. [2] This model uses financial relations of capitalism, which are based on the principles of private property, rational and efficient use of available resources.

A particular model that emerged during the XX century is a Chinese model of economic growth, which depends on the world economy as a whole. On the Chinese model has been much dispute and some scholars deny its existence, while others say that it is universal, that is inherent in many developed countries. Its main features are: orientation of the economy, especially in the export industry, the use of cheap labor to attract foreign investment and technology import active, high share of investment in GDP, the active participation of the state in economic development, the creation of special economic zones, one-party model, which gives the country's stability, which is important to raise capital.

Chinese model has important features. The first, most unique, large population and vast territor. Second - the largest state under the rule of the Communist Party, a

key in the Chinese model, that it has identified an opportunity for reform. The third - a large part of the ethnic Chinese of foreign capital and the existence of entire nations of the Chinese population (Hong Kong, Taiwan and Singapore , to some extent). These basic features of the Chinese model in conjunction with the Chinese reforms make China a success, but this model has potential drawbacks:

1) no proper concern for environmental protection;

2) the policy of limited fertility, which reduces the cost of the younger generation;

3) the low rate of the yuan, which promotes exports, which in 1997 has protected China from the crisis, while other countries hard hit by the overvalued exchange rate of their currencies;

4) deliberate government policy in the field of low tariffs for energy and raw materials, innovation, etc.

Based on the foregoing, we conclude that the Chinese model of regulation of financial relations, despite all its flaws, is a very positive example among developing countries. Among its positive elements that can be applied in Ukraine are the following. In the regulation of the banking sector was very positive experience in China to introduce tighter rules for the minimum amount of capital contributed to the concentration of the bank and the banking sector, which is especially important for Ukraine. In the area of securities regulation is a positive experience in China to introduce tax on the sale of shares, which made it possible to stop the stock market from a significant overheating. Full fixing the exchange rate by 2005 and a gradual appreciation of the renminbi rather slow contributed to increased investor confidence and achievement of the world's largest reserves. Finally, control the movement of foreign capital in China has led to a very slight increase of debt, which is very important for our country.

Thus, we can conclude that the Chinese financial model in part suitable for Ukraine.

References:

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